KARNATAKA LEGISLATIVE ASSEMBLY
TENTH ASSEMBLY

(EIGHTH SESSION)
THE KARNATAKA STAMP (SECOND AMENDMENT) BILL, 1999.

(L.A.BILL No. 7 of 1999)

A Bill further to amend the Karnataka Stamp Act, 1957.

Whereas it is expedient further to amend the Karnataka Stamp Act, 1957 (Karnataka Act 34 of 1957), for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the Fiftieth year of the Republic of India, as follows:-

1. **Short title and commencement** .- (1) This Act may be called the Karnataka Stamp Second Amendment) Act, 1999.

(2) It shall come into force with effect from 1st day of April, 1999.

2. **Amendment of section 2.**- In section 2 of the Karnataka Stamp Act, 1957 (Karnataka Act 34 of 1957) (hereinafter referred to as the principal Act), in sub-section (1),-

(i) for clause (d) the following shall be substitued, namely:-

" (d) "Conveyance" includes,-

(i) a conveyance on sale,
(ii) every instrument,
(iii) every decree or final order of any civil court,
(iv) every order made by the High Court under section 394 of the Companies Act, 1956 in respect of amalgamation of companies.

by which property, whether moveable or immovable or any estate is transferred to, or vested in, any other person, and which is not otherwise specifically provided for by the schedule."

(ii)after clause (m) the following shall be inserted, namely:-

"(mm) "Market Value" in relation to any property which is the subject matter of an instrument, means the price which such property would have fetched if sold in open market on the date of execution of such instrument or the consideration stated in the instrument whichever is higher:

Provided that notwithstanding anything contained in this Act or in the Articles, in respect of an instrument executed by or on behalf of or in favour of the State Government or the Central Government or a local Authority or other Authority constituted by or under any law for the time being in force or a Body incorporate wholly owned or controlled by the Central Government or the State Government, the market value of the property shall be the value of consideration for such conveyance as set forth in the instrument.".

3. Insertion of new section.- After section 3B of the principal Act, the following shall be inserted, namely:-

"3C. Limit on levy of additional stamp duty.- Notwithstanding anything contained in any other law for the time being in force, no instrument shall be charged with any duty in the form of additional stamp duty under such other law, exceeding the maximum amount duty with which such instrument is chargeable under of this Act.".

4. **Amendment of section 9.**- In sub-section (1) of section (9) of the principal Act, after the proviso to clause (a), the following shall be inserted, namely:-

"Provided further that the State Government may in public interest reduce or remit, by notification till the end of 31st March 2001, the stamp duty payable on any instrument, to be specified therein, executed by a new Tiny

and Small Scale Industrial unit as defined under the new Industrial Policy of the Government of Karnataka dated Fifteenth March1996."

5. Amendment of section 10.- In section 10 of the principal Act, after sub-section (2) the following shall be inserted, namely:-

"(3) Subject to the rules made under clause (b) of sub-section (1), the Chief Controlling Revenue Authority or any other officer empowered by the State Government in this behalf may authorise any person, body or organisation, including Post Offices and Banks, to use machine for making impression of stamps indicating the payment of stamp duty on the instrument.".

6. Omission of sections 28A and 28B.- Sections 28A and 28B of the principal Act shall be omitted.

7. Amendment of section 44.- In sub-section (2) of section 44 of the principal Act, for the words and figures "section 34 or section 39" the words "any of the provisions of this Act" and for the words "within three months of the order of charging the same" the words "within six months from the date of registration of the instrument or the order charging the same" shall be substituted.

8. Amendment of section 45A.- In section 45A of the principal Act, Explanation shall be omitted.

9. Amendment of section 45B.- In section 45B of the principal Act,-

(i) in sub-section (1), at the end the following words shall be added namely:-

" and to publish the estimated market value in such manner as may be prescribed".

(ii) sub-section (3) shall be omitted.

10. Amendment of section 48.- In section 48 of the principal Act,-

(i) in clause (1), for the words " two months" the words "six months" shall be substituted.

(ii) in clauses (2) and (3), for the words " six months" wherever they occur the words "one year" shall be substituted.

11. Amendment of section 50.- In section 50 of the principal Act, for the words " six months" wherever it occurs the words "one year" shall be substituted.

12. Substitution of section 51. For section 51 of the principal Act, the following section shall be substituted, namely:-

" **51. Allowance for spoiled or misused Stamps how to be made.-** In any case in which allowance is made for spoiled or misused stamps, the Deputy Commissioner may, after deducting twenty paise for each rupee or a fraction thereof, give in lieu thereof,

(a) other stamps of the same description; or

(b) if required and if he thinks fit, stamps of any, other description; or

(c) at his discretion the value in money equal to the discounted value.".

13. Amendment of section 52.- Section 52 of the principal Act, shall be renumbered as sub-section (1) thereof and in sub-section (1) as so

-numbered, in clause (c) for the words " six months " the words "one year" shall be substituted; and

(ii) after sub-section (1) as so renumbered, the following shall be inserted, namely:-

"(2) An appeal shall lie against the orders of the Deputy Commissioner within sixty days from the date of the order passed under this chapter to the Chief Controlling Revenue Authority.".

14. Amendment of Schedule.- In the Schedule to the principal Act,-

(1) in Article 5,-

(a) in clause (d), after the brackets, words and figures "(Karnataka Act 27 of 1966)", a comma, the words, figures and brackets "Municipal Corporation constituted under the Karnataka Municipal Corporation Act, 1976, (Karnataka Act 24 of 1976), Municipal Councils or Town Panchayats constituted under the Karnataka Municipalities Act, 1964 (Karnataka Act 22 of 1964), Urban Development Authorities constituted under the Karnataka Urban Development Authorities Act, 1987 (Karnataka Act 34 of 1987), Grama Panchayats, Taluk Panchayats and Zilla Panchayats constituted under the Karnataka Panchayat Raj Act, 1993 (Karnataka Act 14 of 1993)" shall be inserted.

(b) after clause (d) the following clause shall be inserted, namely:-

"(da)	Where any instrument of Lease-cum-sale effected by the Bangalore Development Authority constituted under the Bangalore Development Authority Act, 1976 (Karnataka Act 12 of 1976), the Karnataka Housing Board	The duty payable shall be as a conveyance [No.20(3)] for the market value equal to the security deposit and the amount of average annual rent reserved under such agreement."

constituted under the Karnataka Housing Board Act, 1962 (Karnataka Act 10 of 1963) pertaining to premises of a Flat or Apartments.

(c) in cluase (f) after the word "property" the words "situated in Karnataka State" shall be inserted.

(2) in Article 6,-

(i) for the words "pawn, pledge or hypothecation", wherever they occur the words "pawn or pledge" shall be substituted.

(ii) in clause (2),

(a) after the words "property" the words "whether attested or unattested" shall be omitted.

(b) in column (3), in the proviso the word "hypothection" shall be omitted.

(iii) after clause (2), the following shall be inserted, namely:-

"**Exemption.**- Instruments of pawn or pledge of goods, if unattested.

Note: "Goods" for the purpose of exemption means raw materials and stock in trade only.".

(3) in Article 20;-

(a) in clause (1), for the first proviso, the following shall be substituted, namely.-

"Provided that in respect of any instrument of conveyance effected by the house building co-operative societies, registered under the Karnataka Co-operative Societies Act, 1959 (Karnataka Act 11 of 1959) in so far as it relates to allotment of buildings or sites to their members, the duty shall be payable at the rates specified above on the amount or value of consideration for such conveyance as set forth in the instrument.".

(b) for clause (3), the following clauses shall be substituted, namely:-

"(3) Where any instrument of conveyance is effected by the Bangalore Development Authority constituted under Bangalore Development Authority Act, 1976 (Karnataka Act 12 of 1976), the Karnataka Housing Board constituted under the Karnataka Housing Board Act, 1962 (Karnataka Act 10 of 1963) pertaining to premises of Flat or Apartment.	The duty shall be payable at the rates specified under clause (2) of Article 20 on the amount or value of consideration as set forth in the instrument:
	Provided that in any case where Lease-cum-sale Agreement i executed and is stamped with the ac valorem duty required for suc agreement under item (da) of Artic 5 and in furtherance of suc agreement a conveyance subsequently executed, the duty c such conveyance shall not exce rupees fifty or the difference of t duty payable on such conveyan

	and the duty already collected on the security deposit under item (da) of Article 5, whichever is greater.
(4) If relating to an order made by the High Court under section 394 of the Companies Act, 1956 in respect of amalgamation of Companies.	Ten rupees for every rupees one thousand or part thereof, on the market value of the property of the transferor company, located in State of Karnataka, and transferred to the Transferee company on amalgamation.

Exemption.- Amalgamation of sick companies with others, under the orders of Board of Industrial Finance and Reconstruction (BIFR).

(5) If relating to industrial machinery	Two rupees for every rupees one hundred or part thereof.

Exemption.- (i) Sale of industrial machinery by the manufacturer or his authorised agent.

(ii) Industrial machinery not exceeding the value of rupees twenty-five thousand.

(6) If relating to Assignment of receivables by the originator to the special purpose vehicle (SPV), or by whatever name they are called, in the process of securitisation.	One rupee for every one thousand rupees or part thereof subject to a maximum of rupees one lakh."

(4) in Article 27, in clause (b),-

(a) for item (ii), the following shall be substituted, namely:-

(ii) If possession is not given and not being a Hypothecation.	The same duty as a Bond (No.12) for the amount of the further charge secured by such instrument, subject to a maximum of rupees three lakhs.

(b) after item (ii), the following shall be inserted, namely:-

"(iii) for Hypothecation	Same duty as sub-clause (d) of Article No.34 for the amount of the further charge secured by such instrument.".

(5) for Article 28, the following shall be substituted, namely:-

"28. Gift-Instrument of- not being a settlement (No 48) or will or transfer (No.52)	
(a) Where the donee is not a family member of the donor.	The same duty as a Conveyance (Article No.20) for a market value equal to the market value of the property which is the subject matter of gift: Provided that where an instrument of gift contains any provision for the revocation of the gift, the value of the property which is the subject matter of the gift, shall for the purposes of duty be determined as if no such

	provision were contained in the instrument.
(b) Where the donee is a member of the family of the donor.	Rupees one thousand.

Explanation.- Family in relation to the donor for this purpose means Husband, Wife, Sons and Daughters.

(6) in Article 30,-

(i) to clause (1) after sub-clause (c) after first proviso the following proviso shall be deemed to have been inserted with effect from the first day of April, 1998, namely:-

"Provided further that the duty in respect of an instrument of lease chargeable under Article30(a)(iv), Article 30(b)(ii) and Article 30(c)(ii), effected by the Bangalore Development Authority constituted under the Bangalore Development Authority Act, 1976 (Karnataka Act 12 of 1976), the Urban Development Authority constituted under the Karnataka Urban Development Authorities Act, 1987 (Karnataka Act 34 of 1987) the Karnataka housing Board Act, 1962 (Karnataka Act 10 of 1963) the Improvements Board constituted under the Karnataka Improvements Boards Act, 1976 (Karnataka Act 11 of 1976), Department of Mines and Geology, the Forest Department, Karnataka Industrial Area Development Board established under the Karnataka Industrial Area Development Board Act, 1966 (Karnataka Act 18 of 1966), the Karnataka Small Scale Industries Development Corporation, the Karnataka State Industrial Investment Development Corporation, Karnataka State Electronics Development Corporation, registered as a company under the Companies Act, 1956 (Central Act 1 of 1956), the Karnataka Agricultural Produce Market Committee constituted under the Karnataka Agricultural Produce Marketing (Regulation) Act, 1966 (Karnataka Act 27 of 1966) and other authorities as may be specified by the Government shall be payable as a conveyance under clause (1) of Article 20 for a market value equal to the

total rent to be paid through the lease period, or as a conveyance under clause (1) of Article 20 for a market value equal to the amount of premium or money advanced or fine where no rent is reserved, or as a conveyance under clause (1) of article 20 for a market value equal to the amount of premium or money advanced or fine together with the total rent as set forth in the lease deed as the case may be.".

(ii) for clause (1) the following shall be substituted, namely:-

"(1) including an under lease or sub-lease and any agreement to let or sub-let,-

(a) Where by such lease, the rent is fixed and no premium is paid or delivered-	
(i) where the lease purports to be for a term of loss than one year.	The same duty as a Bond (No.12) for the total amount of rent payable under such lease.
(ii) where the lease purports to be for a term of not less than one year, but not more than five years.	The same duty as a Bond (No.12) for the amount or value of the average annual rent reserved.
(iii) where the lease purports to be for a term of not less than five years, but not exceeding ten years.	The same duty as a Conveyance (Article No.20) for a market value equal to twice the amount or value of the average annual rent reserved.
(iv) where the lease purports to be for a term exceeding ten years, but not exceeding twenty years.	The same duty as a conveyance (Article 20) for an amount equal to three times the amount or value of the average annual rent reserved.
(v) where the lease purports to be	The same duty as a conveyance

for a term exceeding twenty years, but not exceeding thirty years.	(Article 20) for an amount equal to four times the amount or value of the average annual rent reserved.
(vi) where the lease purports to be for a term exceeding thirty years or in perpetuity or does not purports to be for any definite term	The same duty as a Bond (Article No.12) for an amount equal to the market value of the property.
(b) Where the lease is granted for a fine or premium or for money advanced and where no rent is reserved-	
(i) where the lease purports to be for a term not exceeding thirty years.	The same duty as a conveyance (Article 20), for the amount or value of such fine or premium or advance as setforth in the lease.
(ii) where the lease purports to be for a term exceeding thirty years or in perpetuity or does not purports to be for any definite term.	The same duty as a Bond (Article No.12), for the amount or value of such fine or premium or advance, as setforth in the lease or for an amount equal to the market value of the property, whichever is higher.".
"(c) Where the lease is granted for a fine or premium or for money advanced in addition to rent reserved,-	
(i) where the lease purports to be	The same duty as a conveyance

for a term not exceeding thirty years.	(Article 20), for the amount or value of such fine or premium or advance, as setforth in the lease, in addition to duty which would have been payable on such lease, if no fine or premium or advance had been paid or delivered.
(ii) where the lease purports to be for a term exceeding thirty years or in perpetuity or does not purport to be for any definite term.	The same duty as a Bond (Article No.12), for the amount or value of such fine or premium or advance as setforth in the lease or for an amount equal to the market value of the property whichever is higher.".

Provided that, in any case when an agreement to lease is stamped with the advalorem stamp required for a lease and a lease in pursuance of such agreement is subsequently executed, the duty on such lease shall not exceed rupees fifty.

Provided further that the duty in respect of an instrument of lease chargeable under Article 30(a),[(v) and (vi)], Article 30(b)(ii) and Article 30(c)(ii), effected by the Bangalore Development Authority constituted under the Bangalore Development Authority Act, 1976 (Karnataka Act 12 of 1976), the Urban Development Authority constituted under the Karnataka Urban Development Authorities Act, 1987 (Karnataka Act 34 of 1987) the Karnataka Housing Board, constituted under the Karnataka Housing Board Act, 1962 (Karnataka Act 10 of 1963) the Improvements Board constituted under the Karnataka Improvements Boards Act, 1976(Karnataka Act 11 of 1976), Department of Mines and Geology, the Forest Department, Karnataka Industrial Area Development Board established under the Karnataka Industrial Area Development Board Act, 1966 (Karnataka Act 18 of 1966), the Karnataka Small Scale Industries Development Corporation, the Karnataka State Industrial Investment Development Corporation, Karnataka State

Electronics Development Corporation, registered as a company under the Companies Act, 1956 (Central Act 1 of 1956), the Karnataka Agricultural Produce Market Committee constituted under the Karnataka Agricultural Produce Marketing (Regulation) Act, 1966 (Karnataka Act 27 of 1966) and other authorities as may be specified by the Government, shall be payable as the case may be in the following manner;

(a) as per item No.(v) of sub-clause (a) of clause (1), where by such lease the rent is fixed and no premium is paid.

(b) as per item No.(i) of sub-clause (b) of clause (1) where the lease is granted for a fine or premium or money advanced and where no rent is reserved.

(c) as per item No.(i) of sub-clause (c) of clause (1) where the lease is granted for a fine or premium or money advanced in addition to rent reserved.

" Provided also that the duty in respect of an instrument of lease executed in favour of the wife,husband, father, mother, son,daughter, brother, or sister in relation to the person shall be rupees one thousand.".

(7) in Article 34,-

(i) for the words "pawn, pledge or hypothecation", the words "pawn or pledge" shall be substituted.

(ii) in clause (b), after the words "aforesaid" the words "and not being a hypothecation" shall be inserted.

(iii) for clause (c) the following shall be substituted, namely:-

'c) When a collateral or auxiliary or additional or substituted security, or by way of further assurance for the above mentioned purpose, where the

principal or primary security is duly stamped.	
(i) for every sum secured not exceeding Rs.1,000.	Three rupees and fifty paise.
(ii) for every Rs.1,000 or part thereof, secured in excess of Rs.1,000.	Three rupees and fifty paise subject to a maximum of Rupees Three lakhs.
(d) For hypothecation of movable property.	Ten rupees for every ten thousand rupees or part thereof advanced, subject to a maximum of rupees ten thousand.".

(8) (a) for Article 39 except the proviso, the following shall be substituted, namely:-

"**Partition**- Instrument of, as defined by section 2(1)(k)	
(a) Where the property involved in the partition is converted for non-agricultural purpose or is meant for non-agricultural use.	
(1) If the property is situated in the jurisdiction of Municipal Corporation or Urban Development Authorities or Municipal Councils or Town Panchayats.	Rupees One thousand for each share.
(2) If the property is situated in the areas other than those mentioned in	Rupees five hundred for each share.

sub-clause (1) above.

(b) Where the property involved in the partition is agricutural land	Rupees two hundred fifty for each share.
(c)Where the property involved in the partition belongs to both the categories mentioned in sub-clause (a) and (b) above.	Aggregate of the duties described in sub-clause (a) and (b) above for each share.

(b) in the proviso to Article 39,-

(i) in clause (a), for the words "three rupees", the words "fifty rupees" shall be substituted.

(ii) clause (b) shall be omitted.

(iii) in clause (c) for the words "three rupees" the words "fifty rupees" shall be substituted.

(9) in Article 41,-

(a) for clause (ea), the following shall be substituted, namely:-

"(ea) When given to a promoter or developer by whatever name called for construction development on, or sale, or transfer (in any manner whatsoever) of, any immovable property situated in Karnataka State.	(i) Four rupees for every hundred or part thereof, on the market value of the property which is the subject matter of the instrument subject to a maximum of rupees four lakhs. (ii) If such market value is not setforth, then a fixed amount of rupees four lakhs.

Provided that where an agreement is executed between the same parties, in respect of same property and is stamped in accordance with Article 5(f) and in furtherance of such agreement if a power of attorney is subsequently executed, the duty on such power of attorney shall be in accordance with clause (f) of this Article".

wazzu (b) for clause (eb) the following shall be substituted:-

"(eb)	When given to person other than the father, mother, wife or husband, sons, daughters, brothers, sisters in relation to the executant authorising such person to sell immovable property situated in Karnataka State.	Two rupees for every one hundred rupees or part thereof on the market value of the property which is the subject matter of power of Attorney: provided that the duty paid on such instrument is adjustable towards the duty payable on the instrument of sale or transfer executed subsequently in favour of either the Attorney holder or any other person".

(10) in Article 45, for clauses (a) and (b), the following shall be substituted, namely.-

(a) where the release is not between the family members. .	
(i) where the release is not for any consideration.	The same duty as a Bond (No.12), for such amount or value of the property as setforth in the instrument or on such average amount or value of the comparable properties, whichever is

	higher.
(ii) if the release is for consideration	The same duty as a conveyance (Article No.20), for a market value equal to the amount of the consideration.
(b) where the release is between the family members.	Rupees one thousand.

Explanation.- Family in relation to a person for this purpose means father, mother, husband, wife,sons,daughters, brothers and sisters.".

(11) in Article 48, for clause (A) the following shall be substituted, namely:-

A. Instrument of (including a deed of dower)	
(i) where the disposition is not for the purpose of distributing the property of the settlor among his family.	The same duty as a Conveyance (Article No.20) for a market value equal to the market value of the property, which is the subject matter of settlement. Provided that where an agreement to settle is stamped with the stamp duty required for an instrument of settlement, and an instrument of settlement in pursuance of such agreement is subsequently executed, the duty on such instrument shall not

exceed rupees fifty.

(ii) Where the deposition is for the purpopse of distributing the property of the settler among his family	Rupees One thousand

Explanation.- Family in relation to the Settler for this purrpose means husband, wife, sons and daughters.

Exemption.- Deed of dower executed on the occasion of a marriage between muhammadans.

(12) in Article 52 for clause (a) the following clause shall be substituted, namely:-

"(a) of debentures, being markatable securities, whether the debenture is liable to duty or not	Fifty paise for every rupees one hundred or part thereof subject to a maximum of one thousand rupees for a considerable equal to the face value of the debenture".

15. **Transitional provision.**- Duty paid on any instrument referred to in the second proviso after sub-clause (c), of Article 30 of the Schedule as inserted by this Actm at the rates specified therein during the period from the first day of April, 1998 and till the commencement of this Act, shall be deemed to be the proper duty.

STATEMENT OF OBJECTS AND REASONS

To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Karnataka Stamp Act, 1957 and some consequential amendments are also proposed.

Hence the Bill.

FINANCIAL MEMORANDUM

There will be an approximate revenue loss to the extent of Rupees 1.5crores by the proposed amendment.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 9: In sub-section (1) of section 45B sought to be amended by this clause, the State Government is empower to make rules providing for the manner of publication of the estimated market value determined by the Committee.

The proposed delegation of legislative power is normal in character.

B.SOMASHEKAR,
Minister for Revenue.

YAKUB SHARIFF,
Secretary.

ANNEXURE

EXTRACT FROM KARNATAKA STAMP ACT, 1957
(Karnataka Act No. 34 of 1957)

xx xx

2. Definitions.

xx xx

(d) **"conveyance"** includes a conveyance on sale and every instrument by which property, whether movable, or immovable is transferred inter-vivos and which is not otherwise specifically provided for by the Schedule.

xx xx xx

9 :- Power to reduce, remit or compound duties .-

(a) reduce upto fifty per cent in the whole or any part of the State of Karnataka, if in the opinion of the State Government it is necessary in public interest so to do, the duties with which any particular class of instruments, or any of the instruments belonging to such class, or any instruments when executed by or in favour of any particular class of persons, or by or in favour of any members of such class, are chargeable; and

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44 :- Power to revenue authority to refund penalty or excess duty in certain cases .-

* * *

(2) Where in the opinion of the Chief Controlling Revenue Authority, stamp duty in excess of that which is legally chargeable has been charged and paid under Section 34 of Section 39, such authority may, upon application in writing made within three months of the order charging the same, refund the excess:

Provided that with the sanction of the State Government the Chief Controlling Revenue Authority may make the refund after the period specified in sub-section (1) or (2).

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45B :- Constitution of a Committee for estimation of property.—(1) Subject to such rules as may be prescribed, the State Government shall, by

notification, constitute for each Taluk or any part thereof one or more committees consisting of such number of members, as may be prescribed, to estimate the market value of any property or of such properties in any area in the prescribed manner and at prescribed intervals.

(2) The Committee shall follow such procedures as may be prescribed.

(3) The State Government shall, by notification, publish the market value estimated under sub-section(1).

48. Application for relief under Section 47 when to be made .- (1) The application for relief under section 47 shall be made within the following periods, that is to say,-

(1) in the cases mentioned in clause (c)(5), within two months of the date of the instrument;

(2) in the case of a stamped paper on which no instrument has been executed by any of the parties thereto, within six months after the stamp has been spoiled;

(3) in the case of a stamped paper in which an instrument has been executed by any of the parties thereto, within six months after the date of the instrument or, if it is not dated, within six months after execution thereof by the person by whom it was first or alone executed:

xx xx

50. Allowance for mis-used stamps .- (a) When any person has inadvertently used for an instrument chargeable with duty, a stamp of a description other than that prescribed for such instrument by the rules made under this Act, or a stamp of greater value than was necessary or has inadvertently used any stamp for an instrument not chargeable with any duty; or

(b) When any stamp used for an instrument has been inadvertently rendered useless under Section 15, owing to such instrument having been written in contravention of the provisions of Section 13;

the Deputy Commissioner may, on application made within six months after the date of the instrument, or, if it is not dated, within six months after the execution thereof by the person by whom it was first or alone executed, and upon the instrument, if chargeable with duty, being re-stamped with the proper duty, cancel and allow as spoiled the stamp so misused or rendered useless.

51:- Allowance for spoiled or misused stamps how to be made.- In any case in which allowance is made for spoiled or misused stamps, the Deputy Commissioner may give in lieu thereof ---

(a) other stamps of the same description and value; or

(b) if required and he thinks fit, stamps of any other description to the same amount in value; or

(c) at his discretion, the same value in money deducting ten paise for each rupee or fraction of a rupee.

52. Allowance for stamps not required for use.- When any person is possessed of a stamp or stamps which have not been spoiled or rendered unfit or useless for the purpose intended, but for which he has no immediate use, the Deputy Commissioner shall repay to such person the value of such stamp or stamps in money, deducting ten paise for each rupee or portion of a rupee, upon such person delivering up the same to be cancelled, and proving to the Deputy Commissioner's satisfaction---

(a) that such stamp or stamps were purchased by such person with a bona fide intention to use them and

b) that he has paid the full price thereof; and

(c) that they were so purchased within the period of six months next preceding the date on which they were so delivered:

Provided that, where the person is a licensed vendor of stamps, the Deputy Commissioner may, if he thinks fit, make the repayment of the sum actually paid by the vendor without any such deduction as aforesaid.

xx xx

SCHEDULE

Article No.	Description of Instrument	Proper stamp-duty
(1)	(2)	(3)
xx	xx	xx
5.	**Agreement or its record or Memorandum if an Agreement-** xx xx **Art. 5(d).-**if relating to a transaction of lease-cum-sale in connection with the allotment of a building thereon, effected by the Bangalore Development Authority constituted under the Bangalore Development authority Act, 1976 (Karnataka Act 12 of 1976), the City Improvement Trust Board, Mysore, constituted under the Karnataka Housing Board Act, (1962, (Karnataka Act 10 of 1963), the Improvement Boards constituted under the Karnataka Improvement Boards Act, 1976 (Karnataka Act	

11 of 1976) House Building Co-operative Societies registered under the Karnataka Co-operative Societies Act, 1959 (Karnataka Act 11 of 1959) or the allotment of Industrial sheds and plots by the Karnataka Industrial Areas Development Board established under the (Karnataka Act 18 of 1966), the Karnataka Small Scale Industries Development Corporation, the Karnataka State Industrial Investment and Development Corporation and the Karnataka State Electronics Development Corporation, registered as a Company under the Companies Act, 1956 (Central Act 1 of 1966) or the allotment of land or sites with or without building to the market functionaries in the yard by the agricultural produce market committees constituted under the Karnataka Agricultural Produce Marketing (Regulation) Act, 1966 (Karnataka Act 27 of 1966) and such other authorities as may be specified by the Government.	
5(f). If relating to giving authority or power to a promoter or developer by whatever name called, for construction or, development of, or sale or transfer (in any manner whatsoever) of any immovable property.	Four rupees for every hundred rupees or part thereof on the market value of the property which is the subject matter of agreement, subject to a maximum of rupees four lakhs.

xx	xx
Art.6. Agreement relating to deposit of title deeds, pawn, pledge or hypothecation, that is to say, any instrument evidencing an agreement relating to,-	
(2) the pawn, pledge or hypothecation of moveable property, whether attested or unattested, where such pawn, pledge or hypothecation has been made by way of security for the repayment of money advanced or to be advanced by way of loan or an existing or future debt.-	

	(a) if such loan or debt is repayable not more than three months from the date of such instrument: (b) if such loan or debt is repayable on demand for more than three months from the date of instrument evidencing agreement. Provided that where a fresh instrument of hypothecation pawn or pledge of movable property is executed for securing repayment of money already advanced by way of loan between the same parties and for same purpose and for the same amount and the duty in respect of earlier instrument has been paid. then the duty chargeable on such fresh instrument is chargeable as per clause (i) of Article 5 of this Schedule. xx xx	Twenty five paise for every hundred rupees or part thereof. Fifty paise for every hundred rupees or part thereof subject to a maximum of rupees two lakhs. xx
	20. Conveyance.- xx xx **Art.20(1)** Provided that the duty in respect of any instrument of conveyance effect by the Bangalore Development Authority constituted under the Bangalore Development Authority Act, 1976 (Karnataka Act 12 of 1976) the City Improvement Trust Board, Mysore constituted under the City of Mysore Improvement Act, 1903 (Mysore Act 3 of 1903) the Karnataka Housing Board constituted under the Karnataka Housing Board Act, 1962 (Karnataka Act 10 of 1963), the Improvement Boards constituted under the Karnataka Improvement Boards Act, 1976 (Karnataka Act 11 of 1976) House Building Co-operative Societies registered under the Karnataka Co-operative Societies Act, 1959 (Karnataka Act 11 of 1959), in so far as it relates to allotment of building sites to its members or conveyance effected by the Karnataka Industrial Areas Development Board established under the Karnataka Industrial Areas Development Act, 1966 (Karnataka Act 18 of 1966), the Karnataka Small Scale Industries Development Corporation, the Karnataka	

	State Industrial Investment and Development Corporation and the Karnataka State Electronics Development Corporation registered as a company under the Companies Act, 1956 (Central Act 1 of 1956) so far as it relates to industrial sheds and plots allotted by them or conveyance effected by the Karnataka Agricultural Produce (Regulation) Act, 1966 (Karnataka Act 27 of 1966) so far as it relates to sale or lease cum sale of land or site with or without building, to market functionaries in the yard and such other authorities as may be specified by the Government shall be payable at the rates specified above on the amount or value of consideration for such conveyance as set forth in the instrument.	

xx	xx	xx
	Art.27 Further charge-Instrument of- that is to say, any instrument imposing a further charge on mortgaged property-	
	(a) when the original mortgage is one of the description referred to in clause (a) of Article No.34 (that is with possession):	The same duty as a Conveyance (No.20) for a market value equal to the amount of the further charge secured by such instrument.
	(b) When such mortgage is one of the description referred to in clause (b) of Article No.34 (that is, without possession)-	
	(i) if at the time of execution of the instrument of further charge possession of the property is given or agreed to be given under such instrument;	The same duty as a Conveyance (No.20) for a market value equal to the total amount of the charge (including the original mortgage and any further charge already made) less the duty already paid on such original mortgage and further charge.
	(ii) if possession is not given	The same duty as a Bond (No 12) for the amount of the further charge secured by such instrument.

	Art.28 Gift-Instrument of- not being a settlement (No.48) or will or transfer (No.52)	The same duty as a Conveyance (No.20) for market value equal to the market value of the property which is the subect matter of gift: Provided that where an instrument of gift contains any provision for the revocation of the gift, the value of the property which is the subject matter of the gift, shall for the purposes of duty be determined as if no such provision were contained in the instrument.
	Hiring- Agreement or agreement for service-see Agreement (No.5)	

	Art. 30 Lease of immoveable property.-(1) Including an under-lease or sub-lease and any agreement to let or sub-let.	
	(a) where by such lease the rent is fixed and no premium is paid or delivered-	
	(i) where the lease purports to be for a term of less than one year.	The same duty as a Bond (No.21) for the whole amount payable or deliverable under such lease.
	(ii) where the lease purports to be for a term of not less than one year but not more than five years.	The same duty as a Bond (No.12) for the amount or value of the average annual rent reserved.
	(iii) where the lease purports to be fore a term of not less than five years but not exceeding ten years.	The same duty as a Conveyance (No.20) for a market value equal to the amount or value of the average annual rent reserved.
	(iv) where the lease purports to be with or without a renewal	Rupees five for every hundred or part thereof on the market

	clause, contingent or otherwise, for a period in excess of ten years or in perpetuity, or does not purport to be for any definite period. (b) for sub-clauses (b) and (c), the following shall be substituted, namely:-	value of the property which is the subject matter of lease.
	"(b) Where the lease is granted for a fine or a premium or for money advanced and where no rent is reserved,-	
	(i) where the lease purports to be for a term not exceeding ten years.	The same duty as a conveyance (clause (1) of Article 20) for a market value equal to the amount or value of such fine or premium or advance as setforth in the lease.
	(ii) Where the lease purports to be with or without a renewal clause contingent or otherwise for a period in excess of ten years, or in perpetuity, or does not purport to be for any definite period.	Rupees five for every hundred or part thereof of the market value of the property which is the subject matter of lease.
	(c) Where the lease is granted for a fine or premium or for money advanced in addition to rent reserved,-	
	(i) where the lease purports to be for a term not exceeding ten years.	The same duty as a conveyance (clause (1) of Article 20) for a market value equal to the amount or value of such fine or premium or advance as setforth in the lease, in addition to the duty which would have been payable on such lease if no fine or premium or advance has been paid or delivered.
	(ii) Where the lease purports to be with or without a renewal clause	Rupees five for every hundred or part thereof on the market value of the property which is the subject matter of lease:

	contingent or otherwise for a period in excess of ten years, or in perpetuity or does not purport to be for any definite period.	Provided that in any case when an agreement to lease is stamped with advalorem stamp required for a lease and a lease in pursuance of such agreement is subsequently executed the duty on such lease shall not exceed rupees fifteen.
	xx xx	xx
	Art. 34. Mortgage deed.-not being an agreement relating to Deposit of title deeds, pawn, pledge or hypothecation (No.6) Bottomry Bond (No.31), Mortgage of a Crop (No.35), Respondentia Bond (No.46), or Security Bond (No.47)-	
	(a) When possession of the property or any part of the property comprised in such deed is given by mortgagor or agreed to be given.	The same duty as conveyance (No.26) for a market value equal to the amount secured by such deed.
	(b) When possession is not given or agreed to be given as aforesaid.	Rupees three for every hundred rupees or part thereof for the amount secured by such deed subject to a maximum of rupees three lakhs.
	Explanation.- A mortgagor who gives to the mortgagee a power of attorney to collect rents, or a lease of the property mortgaged or part thereof is deemed to give possession thereof within the meaning of this Article.	
	(c) When a collateral or auxiliary or additional or substituted security, or by way of further assurance for the above mentioned purpose where the principal or primary security is duly stamped for every sum secured not exceeding Rs.1000 and for every Rs.1000 or part thereof, secured in excess of	Three rupees and fifty paise.

	Rs.1000.	
	Art. 39. Partition-Instrument of- as defined by sec.2(1)(k)	The same duty as a Bond (No.12) for the amount of the market value of the separated share of shares of the property subject to a maximum of rupees twenty five thousand.
xx	xx	xx
41	**Power of Attorney.-**	
	xx xx	
	(ea) When given to a promoter or developer by whatever name called for construction development on, or sale, or transfer (in any manner whatsoever) of, any immovable property.	The same duty as a conveyance under Article 20. Provided that where the agreement is executed between the same parties, in respect of same properties and is stamped in accordance with Article 5(f) and in furtheranceof such agreement if a power of attorney is subsequently executed the duty on such power of attorney shall be in accordance with clause (f) of this Article.
	(eb) When given to a person other than the father,mother, wife or husband, son or daughter in relation to the executant authorising such person to sell immoveable property.	Two rupees for every one hundred rupees or part thereof on the market value of the property which is the subject matter of power of attorney: Provided that the duty paid on such instrument is adjustable towards the duty payable on the instrument of sale or transfer executed subsequently in favour of either the attorney holder or

		any other person.".
	Art. 45 Release.- that is to say, any instrument (not being such a release as is provided for by section 24), where by a person renounces a claim upon another person or against any specified property:	
	(a) on the amount or value of the claim as set-forth in the release deed or on the average value of the claim in the vicinity, whichever is higher.	The same duty as a Bond (no.12) for such amount or value as set forth in the release deed or on the average value of the claim in the vicinity whichever is higher.
	(b) if the claim is for consideration.	The same duty as Conveyance (No.20) for market value equal to the amount, of the consideration.
	(c) Release of mortgage rights or lien.	Same duty as bond (no.12) subject to a maximum of rupees one hundred.
	Art. 48. Settlement.-	
	A. Instrument of (including a deed of dower)	The same duty as a conveyance (No.2) for a market value equal to the market value of the property which is the subject matter of settlement. Provided that, where an agreement to settle is stamped with the stamp required for an instrument of settlement, and an instrument of settlement in pursuance of such agreement is subsequently executed, the duty on such instrument shall not exceed three rupees.
	Exemption.	

	Deed of dower executed on the occasion of a marriage between Muhammadans. see also Trust (No.54).	
	B. Revocation of	The same duty as a Conveyance (No.20) for a sum equal to the amount or value of the property concerned in the instrument of revocation, but not exceeding two hundred rupees.
	Art. 52. Transfer- (Whether with or without consideration)-	
	(a) of debentures, being marketable securities, whether the debenture, is liable to duty or not;	One half of the duty payable on a Conveyance (No.20) for a consideration equal to the face amount of the debenture.